



General Assembly

**Substitute Bill No. 5035**

February Session, 2012

\* \_\_\_\_\_ HB05035PD \_\_\_\_\_ 030512 \_\_\_\_\_ \*

**AN ACT REDUCING MANDATES FOR MUNICIPALITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-53a of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2012, and applicable to assessment years commencing on or after*  
4 *said date*):

5 (a) (1) Completed new construction of real estate completed after  
6 any assessment date shall be liable for the payment of municipal taxes  
7 based on the assessed value of such completed new construction from  
8 the date the certificate of occupancy is issued or the date on which  
9 such new construction is first used for the purpose for which same was  
10 constructed, whichever is the earlier, prorated for the assessment year  
11 in which the new construction is completed. Said prorated tax shall be  
12 computed on the basis of the rate of tax applicable with respect to such  
13 property, including the applicable rate of tax in any tax district in  
14 which such property is subject to tax following completion of such  
15 new construction, on the date such property becomes liable for such  
16 prorated tax in accordance with this section.

17 (2) Partially completed new construction of real estate shall be liable  
18 for the payment of municipal taxes based on the assessed value of such  
19 partially completed new construction as of October first of the  
20 assessment year.

21 Sec. 2. Subsection (c) of section 12-62c of the general statutes is  
22 repealed and the following is substituted in lieu thereof (*Effective*  
23 *October 1, 2012, and applicable to assessment years commencing on or after*  
24 *said date*):

25 (c) The assessment of any new construction that first becomes  
26 subject to taxation pursuant to subdivision (1) of subsection (a) of  
27 section 12-53a, as amended by this act, during an assessment year  
28 encompassed within the term of a phase-in shall be determined in the  
29 same manner as the assessment of all other comparable real property  
30 in said assessment year, such that the total of incremental increases  
31 applicable to such other comparable real property are reflected in the  
32 assessment of such new construction prior to the proration of such  
33 assessment pursuant to section 12-53a, as amended by this act.

34 Sec. 3. Subsection (a) of section 12-64 of the general statutes is  
35 repealed and the following is substituted in lieu thereof (*Effective*  
36 *October 1, 2012, and applicable to assessment years commencing on or after*  
37 *said date*):

38 (a) All the following-mentioned property, not exempted, shall be set  
39 in the list of the town where it is situated and, except as otherwise  
40 provided by law, shall be liable to taxation at a uniform percentage of  
41 its present true and actual valuation, not exceeding one hundred per  
42 cent of such valuation, to be determined by the assessors: Dwelling  
43 houses, garages, barns, sheds, stores, shops, mills, buildings used for  
44 business, commercial, financial, manufacturing, mercantile and trading  
45 purposes, ice houses, warehouses, silos, all other buildings and  
46 structures, house lots, all other building lots and improvements  
47 thereon and thereto, including improvements that are partially  
48 completed or under construction, agricultural lands, shellfish lands, all  
49 other lands and improvements thereon and thereto, quarries, mines,  
50 ore beds, fisheries, property in fish pounds, machinery and easements  
51 to use air space whether or not contiguous to the surface of the  
52 ground. An easement to use air space shall be an interest in real estate  
53 and may be assessed separately from the surface of the ground below

54 it. Any interest in real estate shall be set by the assessors in the list of  
55 the person in whose name the title to such interest stands on the land  
56 records. If the interest in real estate consists of an easement to use air  
57 space, whether or not contiguous to the surface of the ground, which  
58 easement is in the form of a lease for a period of not less than fifty  
59 years, which lease is recorded in the land records of the town and  
60 provides that the lessee shall pay all taxes, said interest shall be  
61 deemed to be a separate parcel and shall be separately assessed in the  
62 name of the lessee. If the interest in real estate consists of a lease of  
63 land used for residential purposes which allows the lessee to remove  
64 any or all of the structures, buildings or other improvements on said  
65 land erected or owned by the lessee, which lease is recorded in the  
66 land records of the town and provides that the lessee shall pay all taxes  
67 with respect to such structures, buildings or other improvements, said  
68 interest shall be deemed to be a separate parcel and said structures,  
69 buildings or other improvements shall be separately assessed in the  
70 name of the lessee, provided such separate assessment shall not alter  
71 or limit in any way the enforcement of a lien on such real estate in  
72 accordance with chapter 205, for taxes with respect to such real estate  
73 including said land, structures, buildings or other improvements. For  
74 purposes of determining the applicability of the provisions of this  
75 section to any such interest in real estate, the term "lessee" shall mean  
76 any person who is a lessee or sublessee under the terms of the lease  
77 agreement in accordance with which such interest in real estate is  
78 established.

79 Sec. 4. Section 12-202 of the general statutes is repealed and the  
80 following is substituted in lieu thereof (*Effective July 1, 2012, and*  
81 *applicable to calendar years commencing on or after January 1, 2014*):

82 (a) (1) Each domestic insurance company shall, annually, pay a tax  
83 on the total net direct premiums received by such company during the  
84 calendar year next preceding from policies written on property or risks  
85 located or resident in this state. The rate of tax on all net direct  
86 insurance premiums received on and after January 1, 1995, and prior to  
87 January 1, 2014, shall be one and three-quarters per cent.

88       (2) The rate of tax on the total net direct health insurance premiums  
89 received on or after January 1, 2014, and prior to January 1, 2015, shall  
90 be one and three-quarters per cent, except that the rate of tax on the  
91 total net direct health insurance premiums received on or after January  
92 1, 2014, and prior to January 1, 2015, from any health insurance policy  
93 when any municipality in this state appears in the policy as the named  
94 insured and as such is responsible for the payment of the premiums  
95 shown on such policy, shall be eighty-eight-hundredths of one per  
96 cent.

97       (3) The rate of tax on the total net direct health insurance premiums  
98 received on or after January 1, 2015, and prior to January 1, 2016, shall  
99 be one and three-quarters per cent, except that the rate of tax on the  
100 total net direct health insurance premiums received on or after January  
101 1, 2015, and prior to January 1, 2016, from any health insurance policy  
102 when any municipality in this state appears in the policy as the named  
103 insured and as such is responsible for the payment of the premiums  
104 shown on such policy, shall be forty-four-hundredths of one per cent.

105       (4) The rate of tax on the total net direct health insurance premiums  
106 received on or after January 1, 2016, shall be one and three-quarters per  
107 cent, except that the rate of tax on the total net direct health insurance  
108 premiums received on or after January 1, 2016, from any health  
109 insurance policy when any municipality in this state appears in the  
110 policy as the named insured and as such is responsible for the  
111 payment of the premiums shown on such policy, shall be zero per cent.

112       (5) Any bill that includes the tax imposed pursuant to this section  
113 that is sent by a domestic insurance company to a municipality in this  
114 state for payment of premiums on a health insurance policy shall  
115 separately list the rate of tax charged to such municipality.

116       (b) The franchise tax imposed under this section on premium  
117 income for the privilege of doing business in the state is in addition to  
118 the tax imposed under chapter 208.

119       (c) In the case of any local domestic insurance company the

120 admitted assets of which as of the end of an income year do not exceed  
121 ninety-five million dollars, eighty per cent of the tax paid by such  
122 company under chapter 208 during such income year reduced by any  
123 refunds of taxes paid by such company and granted under said  
124 chapter within such income year and eighty per cent of the assessment  
125 paid by such company under section 38a-48 during such income year  
126 shall be allowed as a credit in the determination of the tax under this  
127 chapter payable with respect to total net direct premiums received  
128 during such income year, provided that these two credits shall not  
129 reduce the tax under this chapter to less than zero, and provided  
130 further in the case of a local domestic insurance company which is a  
131 member of an insurance holding company system, as defined in  
132 section 38a-129, these credits shall apply if the total admitted assets of  
133 the local domestic insurance company and its affiliates, as defined in  
134 said section, do not exceed two hundred fifty million dollars or, in the  
135 alternative, in the case of a local domestic insurance company which is  
136 a member of an insurance holding company system, as defined in  
137 section 38a-129, these credits shall apply only if total direct written  
138 premiums are derived from policies issued or delivered in  
139 Connecticut, on risk located in Connecticut and, as of the end of the  
140 income year the company and its affiliates have admitted assets minus  
141 unpaid losses and loss adjustment expenses that are also discounted  
142 for federal and state tax purposes and which for said local domestic  
143 insurance company and its affiliates, as defined in said section do not  
144 exceed two hundred fifty million dollars.

145 Sec. 5. Section 12-202a of the 2012 supplement to the general statutes  
146 is repealed and the following is substituted in lieu thereof (*Effective July*  
147 *1, 2012, and applicable to calendar years commencing on or after January 1,*  
148 *2014*):

149 (a) Each health care center, as defined in section 38a-175, that is  
150 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to  
151 the Commissioner of Revenue Services for the calendar year  
152 commencing on January 1, 1995, and [annually thereafter] prior to  
153 January 1, 2014, at the rate of one and three-quarters per cent of the

154 total net direct subscriber charges received by such health care center  
155 during each such calendar year on any new or renewal contract or  
156 policy approved by the Insurance Commissioner under section 38a-  
157 183. Such payment shall be in addition to any other payment required  
158 under section 38a-48. The rate of tax on all total net direct subscriber  
159 charges received on or after January 1, 2014, shall be the rate of tax as  
160 described in subsection (b) of this section.

161 (b) Except for a new or renewal contract or policy entered into on or  
162 after July 1, 2005, to provide health care coverage to retired members  
163 and their dependents under a plan procured pursuant to section 5-259  
164 that is exempt from the tax imposed by this section, pursuant to  
165 subsection (c) of this section:

166 (1) The rate of tax on the total net direct subscriber charges received  
167 on or after January 1, 2014, and prior to January 1, 2015, shall be one  
168 and three-quarters per cent, except that the rate of tax on the total net  
169 direct subscriber charges received on or after January 1, 2014, and prior  
170 to January 1, 2015, from any new or renewal contract or policy  
171 approved by the Insurance Commissioner under section 38a-183, when  
172 any municipality in this state appears in the contract or policy as the  
173 named insured and as such is responsible for the payment of the  
174 premiums shown on such contract or policy, shall be eighty-eight-  
175 hundredths of one per cent.

176 (2) The rate of tax on the total net direct subscriber charges received  
177 on or after January 1, 2015, and prior to January 1, 2016, shall be one  
178 and three-quarters per cent, except that the rate of tax on the total net  
179 direct subscriber charges received on or after January 1, 2015, and prior  
180 to January 1, 2016, from any new or renewal contract or policy  
181 approved by the Insurance Commissioner under section 38a-183, when  
182 any municipality in this state appears in the contract or policy as the  
183 named insured and as such is responsible for the payment of the  
184 premiums shown on such contract or policy, shall be forty-four-  
185 hundredths of one per cent.

186       (3) The rate of tax on the total net direct subscriber charges received  
187 on or after January 1, 2016, shall be one and three-quarters per cent,  
188 except that the rate of tax on the total net direct subscriber charges  
189 received on or after January 1, 2016, from any new or renewal contract  
190 or policy approved by the Insurance Commissioner under section 38a-  
191 183, when any municipality in this state appears in the contract or  
192 policy as the named insured and as such is responsible for the  
193 payment of the premiums shown on such contract or policy shall be  
194 zero per cent.

195       (4) Any bill that includes the tax imposed pursuant to this section  
196 that is sent by a health care center to a municipality in this state for  
197 payment of premiums shown on a new or renewal contract or policy  
198 approved by the Insurance Commissioner under section 38a-183, shall  
199 separately list the rate of tax charged to such municipality.

200       [(b)] (c) Notwithstanding the provisions of subsection (a) of this  
201 section, the tax shall not apply to:

202       (1) Any new or renewal contract or policy entered into with the state  
203 on or after July 1, 1997, to provide health care coverage to state  
204 employees, retirees and their dependents;

205       (2) Any subscriber charges received from the federal government to  
206 provide coverage for Medicare patients;

207       (3) Any subscriber charges received under a contract or policy  
208 entered into with the state to provide health care coverage to Medicaid  
209 recipients which charges are attributable to a period on or after  
210 January 1, 1998;

211       (4) Any new or renewal contract or policy entered into with the state  
212 on or after April 1, 1998, to provide health care coverage to eligible  
213 beneficiaries under the HUSKY Plan, Part A, HUSKY Plan, Part B, or  
214 HUSKY Plus programs, each as defined in section 17b-290;

215       (5) Any new or renewal contract or policy entered into with the state

216 on or after February 1, 2000, to provide health care coverage to retired  
217 teachers, spouses or surviving spouses covered by plans offered by the  
218 state teachers' retirement system;

219 (6) Any new or renewal contract or policy entered into on or after  
220 July 1, 2001, to provide health care coverage to employees of a  
221 municipality and their dependents under a plan procured pursuant to  
222 section 5-259;

223 (7) Any new or renewal contract or policy entered into on or after  
224 July 1, 2001, to provide health care coverage to employees of nonprofit  
225 organizations and their dependents under a plan procured pursuant to  
226 section 5-259;

227 (8) Any new or renewal contract or policy entered into on or after  
228 July 1, 2003, to provide health care coverage to individuals eligible for  
229 a health coverage tax credit and their dependents under a plan  
230 procured pursuant to section 5-259;

231 (9) Any new or renewal contract or policy entered into on or after  
232 July 1, 2005, to provide health care coverage to employees of  
233 community action agencies and their dependents under a plan  
234 procured pursuant to section 5-259; or

235 (10) Any new or renewal contract or policy entered into on or after  
236 July 1, 2005, to provide health care coverage to retired members and  
237 their dependents under a plan procured pursuant to section 5-259.

238 [(c)] (d) The provisions of this chapter pertaining to the filing of  
239 returns, declarations, installment payments, assessments and collection  
240 of taxes, penalties, administrative hearings and appeals imposed on  
241 domestic insurance companies shall apply with respect to the charge  
242 imposed under this section.

243 Sec. 6. Subsection (b) of section 12-210 of the general statutes is  
244 repealed and the following is substituted in lieu thereof (*Effective July*  
245 *1, 2012, and applicable to calendar years commencing on or after January 1,*

246 2014):

247 (b) (1) Each insurance company incorporated by or organized under  
248 the laws of any other state or foreign government and doing business  
249 in this state shall, annually, [on and after January 1, 1995,] pay to said  
250 Commissioner of Revenue Services, in addition to any other taxes  
251 imposed on such company or its agents, a tax of one and three-  
252 quarters per cent of all net direct premiums received by such company  
253 in the calendar year next preceding from policies written on property  
254 or risks located or resident in this state, excluding premiums for ocean  
255 marine insurance, and, upon ceasing to transact new business in this  
256 state, shall continue to pay a tax upon the renewal premiums derived  
257 from its business remaining in force in this state at the rate which was  
258 applicable when such company ceased to transact new business in this  
259 state. The rate of tax on all such net direct premiums, excluding  
260 premiums for ocean marine insurance, received on or after January 1,  
261 1995, and prior to January 1, 2014, shall be one and three-quarters per  
262 cent.

263 (2) The rate of tax on all such net direct premiums, excluding  
264 premiums for ocean marine insurance, received on or after January 1,  
265 2014, and prior to January 1, 2015, shall be one and three-quarters per  
266 cent, except that the rate of tax on all such net direct premiums  
267 received on or after January 1, 2014, and prior to January 1, 2015, from  
268 any health insurance policy when any municipality in this state  
269 appears in the policy as the named insured and as such is responsible  
270 for the payment of the premiums shown on such policy, shall be  
271 eighty-eight-hundredths of one per cent.

272 (3) The rate of tax on all such net direct premiums, excluding  
273 premiums for ocean marine insurance, received on or after January 1,  
274 2015, and prior to January 1, 2016, shall be one and three-quarters per  
275 cent, except that the rate of tax on all such net direct premiums  
276 received on or after January 1, 2015, and prior to January 1, 2016, from  
277 any health insurance policy when any municipality in this state  
278 appears in the policy as the named insured and as such is responsible

279 for the payment of the premiums shown on such policy, shall be forty-  
280 four-hundredths of one per cent.

281 (4) The rate of tax on all such net direct premiums, excluding  
282 premiums for ocean marine insurance, received on or after January 1,  
283 2016, shall be one and three-quarters per cent, except that the rate of  
284 tax on all such net direct premiums received on or after January 1,  
285 2016, from any health insurance policy when any municipality in this  
286 state appears in the policy as the named insured and as such is  
287 responsible for the payment of the premiums shown on such policy,  
288 shall be zero per cent.

289 Sec. 7. Subsection (c) of section 47a-42 of the general statutes is  
290 repealed and the following is substituted in lieu thereof (*Effective*  
291 *October 1, 2012*):

292 (c) Whenever the possessions and personal effects of a defendant  
293 are removed by a state marshal under this section, such possessions  
294 and effects shall be delivered by such marshal to the designated place  
295 of storage. Such removal, delivery and storage shall be at the expense  
296 of the defendant. If such possessions and effects are not reclaimed by  
297 the defendant and the expense of such storage is not paid to the chief  
298 executive officer within fifteen days after such eviction, the chief  
299 executive officer shall sell the same at public auction, [after using]  
300 provided the defendant may, prior to the expiration of the fifteen-day  
301 period, request an additional fifteen days to reclaim such possessions  
302 and effects and pay the expense of such storage. The chief executive  
303 officer shall use reasonable efforts to locate and notify the defendant of  
304 such sale and [after posting] shall post notice of such sale for one week  
305 on the public signpost nearest to the place where the eviction was  
306 made, if any, or at some exterior place near the office of the town clerk.  
307 The chief executive officer shall deliver to the defendant the net  
308 proceeds of such sale, if any, after deducting a reasonable charge for  
309 storage of such possessions and effects. If the defendant does not  
310 demand the net proceeds within thirty days after such sale, the chief  
311 executive officer shall turn over the net proceeds of the sale to the town

312 treasury. If the proceeds of the sale are insufficient to cover the  
313 expense of storage of the defendant's possessions and effects, the chief  
314 executive officer may charge and collect from the plaintiff the  
315 difference between the sale proceeds and the expense of such storage.

316 Sec. 8. Subsection (c) of section 49-22 of the general statutes is  
317 repealed and the following is substituted in lieu thereof (*Effective*  
318 *October 1, 2012*):

319 (c) Whenever a mortgage or lien upon land has been foreclosed and  
320 execution of ejectment issued, and the possessions and personal effects  
321 of the person in possession thereof are removed by a state marshal  
322 under this section, such possessions and effects shall be delivered by  
323 such marshal to the designated place of storage. Such removal,  
324 delivery and storage shall be at the expense of such person. If the  
325 possessions and effects are not reclaimed by such person and the  
326 expense of the storage is not paid to the chief executive officer within  
327 fifteen days after such ejectment, the chief executive officer shall sell  
328 the same at public auction, [after using] provided such person may,  
329 prior to the expiration of the fifteen-day period, request an additional  
330 fifteen days to reclaim such possessions and effects and pay the  
331 expense of such storage. The chief executive officer shall use  
332 reasonable efforts to locate and notify such person of the sale and after  
333 posting notice of the sale for one week on the public signpost nearest  
334 to the place where the ejectment was made, if any, or at some exterior  
335 place near the office of the town clerk. The chief executive officer shall  
336 deliver to such person the net proceeds of the sale, if any, after  
337 deducting a reasonable charge for storage of such possessions and  
338 effects. If such person does not demand the net proceeds within thirty  
339 days after the sale, the chief executive officer shall turn over the net  
340 proceeds of the sale to the town treasury. If the proceeds of the sale are  
341 insufficient to cover the expense of storage of such person's  
342 possessions and effects, the chief executive officer may charge and  
343 collect from the plaintiff in possession of the land the difference  
344 between the sale proceeds and the expense of such storage.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-53a(a)
Sec. 2	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-62c(c)
Sec. 3	<i>October 1, 2012, and applicable to assessment years commencing on or after said date</i>	12-64(a)
Sec. 4	<i>July 1, 2012, and applicable to calendar years commencing on or after January 1, 2014</i>	12-202
Sec. 5	<i>July 1, 2012, and applicable to calendar years commencing on or after January 1, 2014</i>	12-202a
Sec. 6	<i>July 1, 2012, and applicable to calendar years commencing on or after January 1, 2014</i>	12-210(b)
Sec. 7	<i>October 1, 2012</i>	47a-42(c)
Sec. 8	<i>October 1, 2012</i>	49-22(c)

**Statement of Legislative Commissioners:**

In section 4, technical corrections were made for accuracy, in section 5, the word "direct" was added to the phrase "total net direct subscriber charges" for clarity, and throughout, percentages were rewritten as "x fraction of one per cent", for uniformity.

**PD**      *Joint Favorable Subst.*